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SUBJECT: Serbia: 2007-2008 International Narcotics Control Strategy
Report (INCSR) Part I: Drugs and Chemical Control

REF: STATE 136780

I. Summary

The Republic of Serbia is a major transit country for narcotics and other drugs along the Balkan smuggling corridor from Turkey to Central and Western Europe. In 2007, Serbia took measures to improve its capacity to combat drug trafficking through new laws and law enforcement initiatives that tightened the regulations on narcotics, corruption, and organized crime, and included legislation authorizing asset seizure. Serbia's drug laws are adequate, but the judicial system is weak and implementation is problematic. While Serbia realized record-setting successes with drug interdictions and seizures, nonetheless, organized crime groups still exploited Serbia's inadequate border controls and law enforcement to transfer heroin, cocaine, marijuana, and synthetic drugs. A small amount of smuggled narcotics remains in Serbia for domestic consumption. As Yugoslavia's successor state, the Republic of Serbia is party to the 1988 UN Drug Convention.

II. Status of Country

Serbia is a transit country for the movement of narcotics, but the ability of organized crime groups to exploit the porous borders and weak judicial structures threatens public safety and the integrity of public institutions. The Ministry of Interior's (MUP) Drug Smuggling Suppression Department notes that Serbia's southwestern Sandzak region, located between Montenegro and Kosovo and on the heroin smuggling route connecting Afghanistan to Western Europe, is the most problematic area in the country for narcotics trafficking. The Sandzak, nicknamed Europe's "heroin stash" by narcotics experts, continues to be a storage site for large quantities of narcotics. According to the MUP, drug smugglers frequently use Serbia's highways -- especially Corridor 10, which runs southeast to north from Bulgaria and Macedonia to Croatia and Hungary. The Serbian government estimates that relatively small amounts of narcotics remain in the country for domestic consumption. Heroin is by far the most prevalent narcotic, although this year the MUP has seen an increase in trafficking of cocaine, from Albania, Montenegro, and as far away as South Africa.

III. Country Actions against Drugs in 2007

Policy Initiatives: In November 2007, Serbia's State Prosecutor announced the creation of a special team to draft a law on asset seizure to increase law enforcement authorities' ability to combat narcotics smuggling, organized crime, and corruption. Articles 246 and 247 of the General Crime law regulate penalties for conviction for drug crimes, including production, trafficking, and usage of narcotics. A newly implemented law on Chemical Substance and Production for synthetic drugs, based on European standards, requires the Ministry of Health to monitor precursor chemicals used

by companies operating in Serbia. The law allows the MUP to investigate possible misuse of precursor chemicals by companies or individuals. Serbia hosts counter narcotics liaison officers from Bulgaria, Romania, Croatia, Italy, and other countries; a program the MUP credits for improving regional counter narcotics coordination.

Law Enforcement Efforts and Accomplishments: The MUP's Drugs Smuggling Suppression Department is Serbia's key coordination body for combating drug-related crime. The Department is responsible for coordinating cooperation and information exchanges with 33 police precincts located throughout Serbia, as well as with the Customs Administration, the Ministry of Justice, and Interpol. The Drug Smuggling Department is currently developing a database for crimes, arrests, and seizures related to heroin, cocaine, marijuana, synthetic drugs, and chemical precursors. Officers in the MUP participate in workshops organized by the OSCE, the Southeast Europe Cooperative Initiative's (SECI) Center for Combating Trans-border Crime, and other international organizations. MUP officials hope to continue participating in regional training exercises with neighboring countries including Bulgaria, Romania, Montenegro, Bosnia and Herzegovina, and Croatia. The Ministry is involved in "train-the-trainer" programs.

Serbia interdicted a record amount of narcotics in 2007. In October, the Serbian Customs Administration seized approximately 163 kg of heroin at a Serbia-Bulgaria border crossing. The drugs were found in a false compartment of a truck, likely originating in Afghanistan, bearing Turkish plates, with a Turkish driver. The vehicle was hauling a cargo of furniture and appliances under diplomatic cover, with destinations of Austria, France, and Netherlands. Members of Serbia's border crossing team had received training and equipment from the Export and Related Border Security (EXBS) program.

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Serbia's MUP and Customs Administration both keep data on total seizures. The MUP reports that from January to November of 2007 Serbian law enforcement made 3,795 drug seizures, including 11 kg of cocaine, 377 kg of heroin, and 700 kg of marijuana. These data do not include seizures from municipal police, but do include the Customs Administration's reports of seizures at the border. Serbia's Customs Administration reports that, in the first 11 months of 2007, its border officials intercepted 42.2 kg of opium, 203 kg of heroin, 2.5 kg of cocaine, 136 kg of marijuana, and 57,460 tablets of anabolic steroids at Serbian border crossings. MUP and Customs officials both admit the need for close cooperation and better data consolidation.

Corruption: Corruption within Serbia's law enforcement agencies responsible for counter narcotics remains a serious problem. According to a reputable June 2007 report by a Norwegian research institute (Chr. Michelsen Institute's "Serbia 2007: Overview of Problems and Status of Reforms"), corruption in Serbia's legal system including police, prosecutors and courts, "distorts the enforcement of the law and by implication undermines trust in the law and justice system itself." The report also notes that law enforcement officials "are subject to systematic incentives to engage in corrupt behavior... [and] police officers are often poorly remunerated, their actions are difficult to monitor, and police organizational culture often tends to protect corrupt officers." An official at the Customs Administration said poor pay for its border inspectors aggravates this problem.

No evidence exists that the Serbian government encourages illicit production or distribution of narcotics, or actively launders proceeds from illegal drug transactions. Sentencing for drug law violations is generally weak. According to a Justice Ministry report, of the 8,658 persons convicted for violations of Article 246 of the Penal Code in 2007 (related to production, storage, and sale of narcotics) 6,141 (71%) received suspended sentences. During the same period, 2,397 arrests (28%) resulted in prison sentences. In the Belgrade District Court, 98% of drug arrests led to prison sentences. The low conviction/jail-time rate outside Belgrade, in part, results from the large number of underage offenders, many of

whom claim the drugs in their possession were for personal use. There are no specific drug-crime sentencing guidelines, and courts render judgments on a case-by-case basis. Major narcotics dealers rarely appear in court in Serbia. This is primarily because enforcement agencies are only beginning to grasp the "enterprise theory" to their criminal investigations. The result is that investigations are often truncated, focusing on the "low-lying fruit": users, street dealers and border seizures instead of following the financial proceeds back to the major dealers. This is slowly changing and is best evidenced in Serbia's increasingly more comprehensive (albeit non-drug-related) organized crime cases. The Republic of Serbia is a party to the 2003 UN Convention against Corruption.

Agreements and Treaties: Serbia became the legal successor state to the State Union of Serbia and Montenegro on June 3, 2006. All international treaties and agreements continue in force, including the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by the 1972 Protocol, the 1971 UN Convention on Psychotropic Substances, and the UN Convention against Transnational Organized Crime, and its protocols against trafficking in persons and migrant smuggling. Serbia currently has a bilateral agreement with Romania for counter narcotics interdiction training, and has cooperative agreements with Slovenia, Croatia and Bosnia, and Herzegovina on issues relating to cross-border narcotics transfers. The 1902 extradition treaty between the United States and the Kingdom of Serbia remains in force between the U.S. and Serbia.

Drug Flow/Transit: Serbia sits directly on the Balkan narcotics trafficking route. It is estimated that 80% of the world's heroin travels along this route. Heroin grown and processed in Afghanistan is smuggled through Turkey and Bulgaria into Serbia, and onward into Western Europe. Small amounts of heroin stay in the country, but Serbia primarily serves as a transit point. Cocaine from South America is smuggled into Serbia via Spain, Italy, and Greece, while synthetic drugs such as Ecstasy typically originate in the Netherlands and are generally used in exchanges for other narcotics, including heroin.

Domestic Programs (Demand Reduction): Experts from the Belgrade Institute on Drug Abuse have estimated that there are approximately 60,000-80,000 drug users in Serbia. A task force composed of the Ministries of Health, Education and Sport, Interior, and Justice is developing a National Strategy for the Fight against Drugs. Serbia is currently experimenting with a demand reduction program in prisons that offers privileges to inmates in exchange for abstinence from drugs. A failed drug test results in expulsion from the program.

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IV. U.S. Policy Initiatives and Programs

Bilateral and Multilateral Cooperation: The Serbian Government works closely with the United States and EU countries to reform and improve its law enforcement and judicial capacity. The United States has provided extensive technical assistance and equipment donations to the police, customs services, and judiciary. Several USG agencies have programs that directly or indirectly support counter narcotics activities in Serbia, including the Department of Justice (ICITAP), Department of Homeland Security, Department of Defense, Department of the Treasury, and Department of State. The Departments of State and Justice have also been instrumental in supporting the new Organized Crime Court and the new Special Court for Organized Crime and War Crimes. The programs are aimed at professionalizing the police and customs services, improving the ability of Serbia to prosecute corruption and organized crime, including money laundering and illicit trafficking, and increasing the ability of the judiciary to effectively address serious crime.

The Road Ahead: The United States will continue to support the efforts of Serbian law enforcement to combat narcotics smuggling in the region. During the next year the United States would like to see additional progress in Serbian justice sector reform, including tougher sentences for major narcotics dealers and coordinated

efforts to combat organized crime. Serbia needs to improve its demand reduction programs. To stem the flow of narcotics through the Western Balkans, the United States should continue to assist Serbia in improving the skill set and professionalism of its law enforcement agencies. Training we have provided to date has paid off: In the past year, Serbian law enforcement cocaine seizures increased nearly 70% -- from 6.5 to 11kg, and heroin interdictions hit record levels. More training and technical assistance in cocaine smuggling abatement techniques would be useful. The Serbian Customs Administration praised the International Railroad Interdiction Training (IRIT) that its officers had received in El Paso, Texas, and expressed an interest in additional training of this type. The Ministry of Interior specified a need for cocaine detection training opportunities for counter narcotics officials, technical equipment and materiel, operational assistance (including vehicles appropriate for law enforcement work), and improved intelligence coordination between Serbian police and the U.S. Drug Enforcement Agency.

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